

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 September 2021
for
Markaz El Tathgheef El Eslami

Merali's Chartered Accountants
Scottish Provident House
76-80 College Road
Harrow
Middlesex
HA1 1BQ

Markaz El Tathgheef El Eslami

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for the Year Ended 30 September 2021**

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Markaz El Tathgheef El Eslami

Report of the Trustees **for the Year Ended 30 September 2021**

The trustees present their report with the financial statements of the charity for the year ended 30 September 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities, the Charities Act 2011 and Financial Reporting Standards SORP FRS102.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the Charity is to promote the advancement of the Islamic religion in England and Wales by all or any of the following means:-

Providing religious centres for worship of the Islamic religion,

Providing free booklets and supplements to followers,

Advancement of education of the public concerning the Islamic religious culture,

Provision in interests of social welfare of facilities by reason of their youth or age or infirmity or social and economic circumstances.

The charity is dependant on voluntary workers to fulfil the doctrine and practises of the Islamic Religion and its jurisprudence.

Strategies and Significant Activities

The charity operates its religious centre at The Hippodrome, Golders Green, London, NW11 7RP the trustees of the Charity hold the full and legal beneficial interest in the property. The safe custody of the property is governed by the Trust Deed.

The centre is open to all general public as a place of worship for the followers of Islamic faith.

The religious centre organises various religious activities and functions and provides information to raise awareness of the Islamic faith.

Grantmaking

The charity administered collection and distribution of various religious dues like Khums, Zakat, Sadaqat in accordance with the teachings of Islamic faith. The charity collects general donations and are distributed in pursuance of the charity's objectives to support education and training, relief of poverty and various religious activities.

Volunteers

We encourage all members of our centres to be involved in voluntary activities and to share their skills with others. Volunteers are not paid any salaries, but only reimbursement of reasonable out of pocket expenses such as travel costs. All those volunteers working with children or other vulnerable groups are CRB checked.

ACHIEVEMENT AND PERFORMANCE

How our activities deliver public benefit

A wide range of activities are carried out in pursuance of the charitable aims and objectives. The trustees consider that these activities, summarised below, provide benefit to the wider community.

Markaz El Tathgheef El Eslami

Report of the Trustees **for the Year Ended 30 September 2021**

ACHIEVEMENT AND PERFORMANCE

Religious activities

Our Centre is open for prayers, worship and for the activities associated with our faith. The centre is open for the wider public. During the year under review, we offer a range of religious services and activities including:

Prayers

Our Centre is available daily for prayers to all general public of Islamic faith. We have hundreds of people attending our Centre for prayers.

Festivals

The Centre celebrate Ramadan and serve food for those attending our Centre who wish to break their fasting with the visitors as group. We also perform special functions and serve food for the annual commemoration of the martyrdom of the grand son of the Prophet Muhammad, Imam Hussein, during the month of Muharram. The Mosque celebrate the birth and commemorate the martyrdom of all Imams of Shia Jaffari faith during the year. We hold weekly gathering in the Centre for worship, prayers and recitation of supplications every Thursday evening.

Quran classes

Memorisation and recitation of the Quran are considered important elements of religious education and training. We continue to provide this facility for young people in the mosque.

Religious dues

It is part of our faith that we should offer Zakat, Khums, and Sadaqat. They are collected in accordance with the teaching of Islam and distributed for a number of specific purposes including to help others and to further the teachings of Islam.

Community activities

Halls and rooms

Our hall and rooms are available to use by our groups, organisations and communities.

FINANCIAL REVIEW

Principal funding sources

The Charity's main sources of income are collections of donations and religious dues from general public. They are collected from general public visiting its Centre. During the year the Charity received total donations of £60,419.

Reserves policy

Restricted funds reserve are held to be used within certain restrictions of the relevant funds. The Charity's policy on general unrestricted fund is to hold enough funds to meet at least 6 months direct and operating cost of the Islamic centre and head office.

In calculating the Charity's general reserves the trustees have deducted the tangible fixed assets of £5,198,727 from the total unrestricted funds of £5,214,509 as shown in the accounts and any designated fund leaving a surplus in their reserves as at 30/09/2021 of 15,782. There is obviously recent drop in the free reserves resulted from the legal and professional costs associated with the property as well as the impact of closing the centre during Covid-19 pandemic.

Therefore the charity has slightly smaller free reserves than required to meet at least 6 months direct and operating costs as required per the reserves policy. Nevertheless, the subsequent sale of the freehold property has generated sufficient funds to meet its reserves policy. The trustees have also made necessary arrangements to replenish the reserves and ensured they are maintained in line with its reserves policy.

Going concern

The charity's free reserves have been decreasing in recent years due to the increasing costs associated with the relocation to the new premises as well as the recent impact of Covid-19 related closures as the main centre is closed since march 2020. Nonetheless, the charity has recently sold the freehold property, after year end, and generated sufficient surplus to boost its free reserves. The charity is also looking actively to acquire a new freehold property to use as its new religious centre to carry out its charitable activities. The trustees continue to work tirelessly to replenish the deficit in the free reserves as they resumed their activities from a hired premises since the ease of Covid-19 restrictions.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Markaz El Tathgheef El Eslami

Report of the Trustees **for the Year Ended 30 September 2021**

The charity was registered with the Charities Commission on 30th September 1988 and is governed by the Trust Deed dated 30th September 1988.

Recruitment and appointment of new trustees

Trustees are appointed by resolution of the existing trustees. Whenever a new trustee is so appointed a memorandum of his/her appointment shall be prepared.

Organisational structure

The charity trustees are responsible for the general control and management of the charity. The trustees give their time freely and receive no remuneration or other financial benefits. The trustees meet together as a body and are responsible for all decisions taken in relation to the affairs of Markaz El Tathgheef El Eslami in the United Kingdom.

Induction and training of new trustees

Following appointment, new trustees are introduced to their new role and given copies of the trust deed and a guide to the policies and procedures adopted by our charity. A number of publications from the Charity Commission are also provided including the guidance on charities and public benefit and on the advancement of the religion for public benefit. This ensures that new trustees are aware of the scope of their responsibilities under the Charities Act. Initially, new trustees work with an existing trustees assisting on particular activities and projects run by the Charity. After satisfactory feedback from existing trustees they are then given the task of leading a particular activity or project, reporting progress at trustees' meetings.

The Trustees examine the major strategic, business and operational risks, which the charity faces regularly. The charity actively reviews the major risks, which it faces on a regular basis and believes that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks faced by the Charity and confirm that they have established systems to mitigate the significant risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

328364

Principal address

Flat 24, Templar House
Shoot Up Hill
London
NW2 3TD

Trustees

Ali Borhan Mojarrad
Sayed Marzook Al Alawi (resigned 28.9.2021)
Sayed Jafar Zadeh Shirazi
Zedan Abbass Hussein
Razi Mirkhalaf Zadeh

Independent Examiner

Merali's Chartered Accountants
Scottish Provident House
76-80 College Road
Harrow
Middlesex
HA1 1BQ

Approved by order of the board of trustees on 1 June 2022 and signed on its behalf by:

Razi Mirkhalaf Zadeh - Trustee

Independent Examiner's Report to the Trustees of Markaz El Tathgheef El Eslami

Independent examiner's report to the trustees of Markaz El Tathgheef El Eslami

I report to the charity trustees on my examination of the accounts of Markaz El Tathgheef El Eslami (the Trust) for the year ended 30 September 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

MPK Merali FCA
Merali's Chartered Accountants
Scottish Provident House
76-80 College Road
Harrow
Middlesex
HA1 1BQ

1 June 2022

Markaz El Tathgheef El Eslami

Statement of Financial Activities for the Year Ended 30 September 2021

		Unrestricted fund	Restricted funds	2021 Total funds	2020 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	60,419	-	60,419	52,647
Other income	3	23,871	-	23,871	10,883
Total		84,290	-	84,290	63,530
EXPENDITURE ON					
Charitable activities					
Religious centre		76,294	-	76,294	121,741
Wages and Salaries		28,370	-	28,370	31,495
Other		406	-	406	-
Total		105,070	-	105,070	153,236
NET INCOME/(EXPENDITURE)		(20,780)	-	(20,780)	(89,706)
RECONCILIATION OF FUNDS					
Total funds brought forward		5,235,289	-	5,235,289	5,324,995
TOTAL FUNDS CARRIED FORWARD		5,214,509	-	5,214,509	5,235,289

The notes form part of these financial statements

Markaz El Tathgheef El Eslami

Statement of Financial Position 30 September 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	7	5,198,727	-	5,198,727	5,216,507
CURRENT ASSETS					
Cash at bank		25,587	-	25,587	23,426
CREDITORS					
Amounts falling due within one year	8	(9,805)	-	(9,805)	(4,644)
NET CURRENT ASSETS		<u>15,782</u>	<u>-</u>	<u>15,782</u>	<u>18,782</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,214,509</u>	<u>-</u>	<u>5,214,509</u>	<u>5,235,289</u>
NET ASSETS		<u>5,214,509</u>	<u>-</u>	<u>5,214,509</u>	<u>5,235,289</u>
FUNDS	9				
Unrestricted funds				<u>5,214,509</u>	<u>5,235,289</u>
TOTAL FUNDS				<u>5,214,509</u>	<u>5,235,289</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 1 June 2022 and were signed on its behalf by:

Razi Mirkhalaf Zadeh - Trustee

The notes form part of these financial statements

Markaz El Tathgheef El Eslami

Notes to the Financial Statements for the Year Ended 30 September 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - Straight line over 100 yrs Building only
Fixtures and fittings - 25% on reducing balance

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	60,419	50,441
Khums	-	2,206
	<hr/>	<hr/>
	60,419	52,647
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Markaz El Tathgheef El Eslami

Notes to the Financial Statements - continued for the Year Ended 30 September 2021

3. OTHER INCOME

	2021	2020
	£	£
JRS Furlough Income	23,871	10,883

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2021 nor for the year ended 30 September 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2021 nor for the year ended 30 September 2020.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2021	2020
Administrative Staff	3	3

No employees received emoluments in excess of £60,000.

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	52,647	-	52,647
Other income	10,883	-	10,883
Total	63,530	-	63,530
EXPENDITURE ON			
Charitable activities			
Religious centre	96,075	25,666	121,741
Wages and Salaries	31,495	-	31,495
Total	127,570	25,666	153,236
NET INCOME/(EXPENDITURE)	(64,040)	(25,666)	(89,706)
RECONCILIATION OF FUNDS			
Total funds brought forward	5,299,329	25,666	5,324,995
TOTAL FUNDS CARRIED FORWARD	5,235,289	-	5,235,289

Markaz El Tathgheef El Eslami

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

7. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures and fittings	Totals
	£	£	£
COST			
At 1 October 2020 and 30 September 2021	5,250,392	59,309	5,309,701
DEPRECIATION			
At 1 October 2020	52,501	40,693	93,194
Charge for year	13,126	4,654	17,780
At 30 September 2021	65,627	45,347	110,974
NET BOOK VALUE			
At 30 September 2021	5,184,765	13,962	5,198,727
At 30 September 2020	5,197,891	18,616	5,216,507

The property was purchased on the 24th of July 2017. Property address Hippodrome, North End Road , Golders Green, London NW11.

The Freehold property was sold after year in January 2022.

The above value of freehold property comprises of 25% building and 75% land.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	5,208	-
Taxation and social security	74	84
Other creditors	4,523	4,560
	9,805	4,644

9. MOVEMENT IN FUNDS

	At 1/10/20	Net movement in funds	At 30/9/21
	£	£	£
Unrestricted funds			
General fund	5,235,289	(20,780)	5,214,509
TOTAL FUNDS	5,235,289	(20,780)	5,214,509

Markaz El Tathgheef El Eslami

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

9. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	84,290	(105,070)	(20,780)
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TOTAL FUNDS	<u>84,290</u>	<u>(105,070)</u>	<u>(20,780)</u>

Comparatives for movement in funds

	At 1/10/19 £	Net movement in funds £	At 30/9/20 £
Unrestricted funds			
General fund	5,299,329	(64,040)	5,235,289
Restricted funds			
Premises Funds	25,666	(25,666)	-
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>5,324,995</u>	<u>(89,706)</u>	<u>5,235,289</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	63,530	(127,570)	(64,040)
Restricted funds			
Premises Funds	-	(25,666)	(25,666)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>63,530</u>	<u>(153,236)</u>	<u>(89,706)</u>

Markaz El Tathgheef El Eslami

Notes to the Financial Statements - continued for the Year Ended 30 September 2021

9. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/10/19 £	Net movement in funds £	At 30/9/21 £
Unrestricted funds			
General fund	5,299,329	(84,820)	5,214,509
Restricted funds			
Premises Funds	25,666	(25,666)	-
TOTAL FUNDS	<u>5,324,995</u>	<u>(110,486)</u>	<u>5,214,509</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	147,820	(232,640)	(84,820)
Restricted funds			
Premises Funds	-	(25,666)	(25,666)
TOTAL FUNDS	<u>147,820</u>	<u>(258,306)</u>	<u>(110,486)</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 September 2021.

Markaz El Tathgheef El Eslami

Detailed Statement of Financial Activities
for the Year Ended 30 September 2021

	2021	2020
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	60,419	50,441
Khums	-	2,206
	<hr/>	<hr/>
	60,419	52,647
Other income		
JRS Furlough Income	23,871	10,883
	<hr/>	<hr/>
Total incoming resources	84,290	63,530
 EXPENDITURE		
Support costs		
Management		
Rates and water	608	2,859
Insurances	20,024	20,112
Light and heat	10,493	9,444
Telephone	1,007	2,403
Postage and stationery	-	35
Sundry expenses	390	138
Accountancy	5,172	4,040
Legal and professional fees	21,210	63,053
Repairs and Maintenance	-	306
Freehold property	13,126	13,126
Fixtures and fittings	4,654	6,206
	<hr/>	<hr/>
	76,684	121,722
 Finance		
Bank charges	16	19
 Human resources		
Wages	28,370	31,495
	<hr/>	<hr/>
Total resources expended	105,070	153,236
	<hr/>	<hr/>
Net expenditure	(20,780)	(89,706)
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the statutory financial statements